

# d-local

Q4 & FY 2021  
Earnings Presentation  
NASDAQ: DLO



# Safe Harbor

This presentation may contain forward-looking statements.

These forward-looking statements convey DLocal's current expectations or forecasts of future events. Forward-looking statements regarding DLocal involve known and unknown risks, uncertainties and other factors that may cause DLocal's actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. Certain of these risks and uncertainties are described in the "Risk Factors," and "Cautionary Note Regarding Forward-Looking Statements" sections of DLocal's filings with the U.S. Securities and Exchange Commission.

Unless required by law, DLocal undertakes no obligation to publicly update or revise any forward-looking statements to reflect circumstances or events after the date hereof.

# 2021: A Record Year

**FY21**

## SCALE

**\$6.0B**  
TPV  
193% YoY Growth

## GROWTH

**\$244.1M**  
REVENUES  
134% YoY Growth

## RETENTION

**219%**  
NET RETENTION  
RATE

## PROFITABILITY

**41%**  
ADJUSTED  
EBITDA MARGIN<sup>1</sup>

**4Q21**

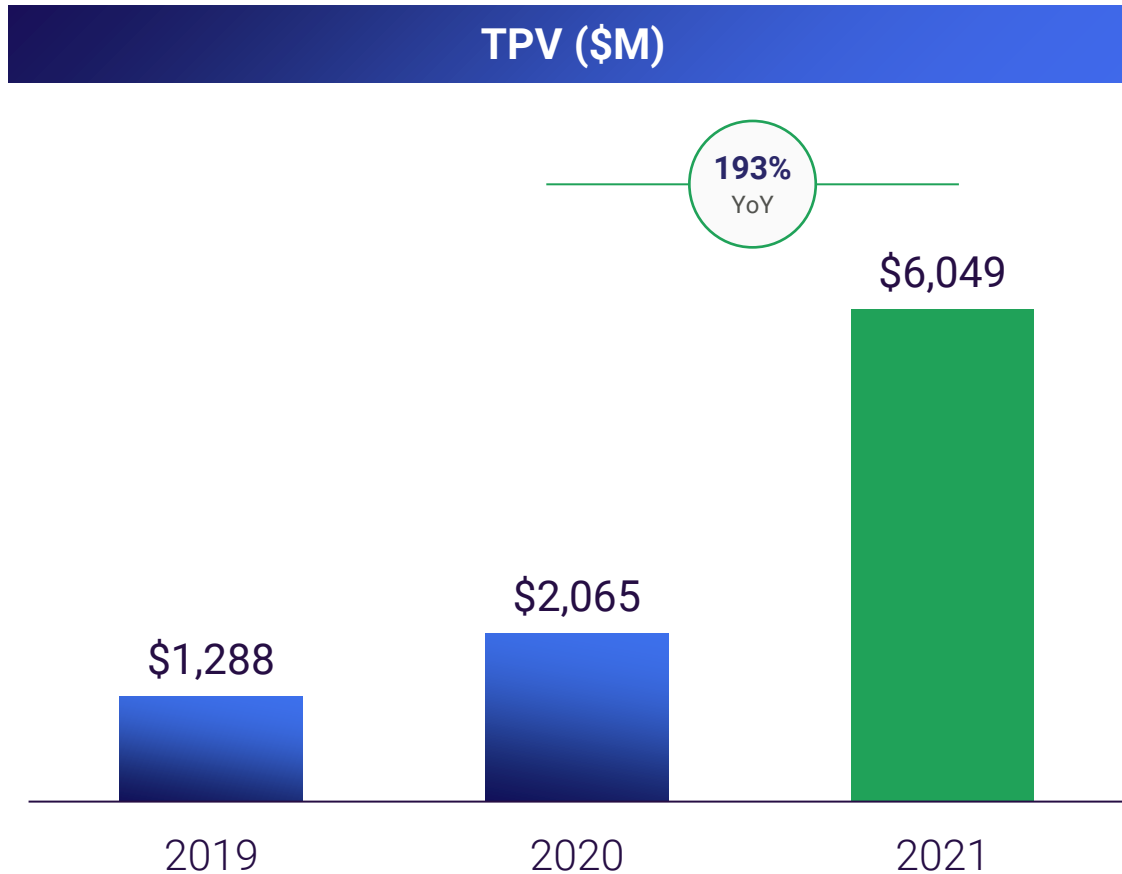
**\$1.9B**  
TPV  
145% YoY Growth

**\$76.3M**  
REVENUES  
120% YoY Growth

**198%**  
NET RETENTION  
RATE

**38%**  
ADJUSTED  
EBITDA MARGIN<sup>1</sup>

# Strong Growth With Continuous Opportunities to Grow with our Existing Merchants



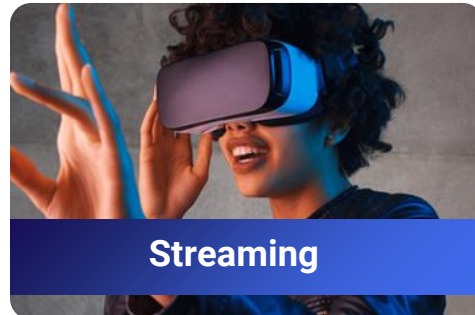
## Selected Merchants



# Powering Diverse High-Growth Verticals...



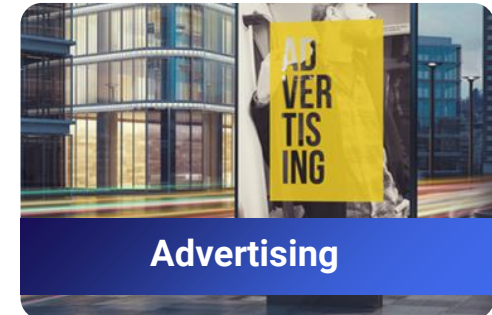
Commerce



Streaming



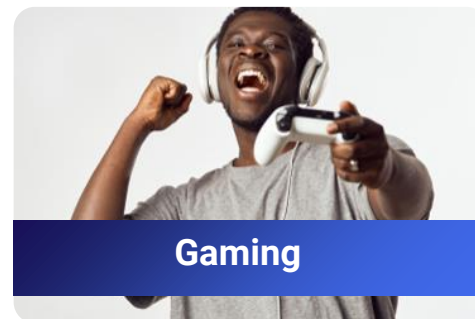
Ride Hailing



Advertising



Financial Services



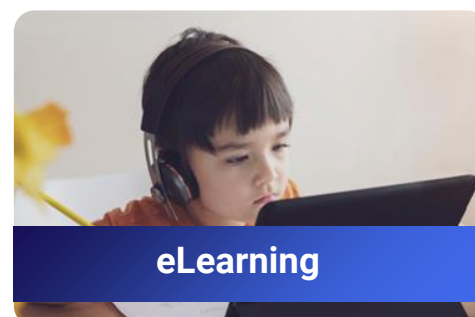
Gaming



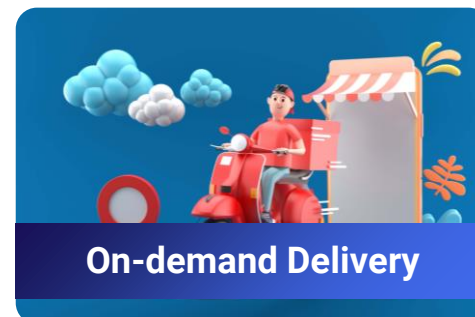
SaaS



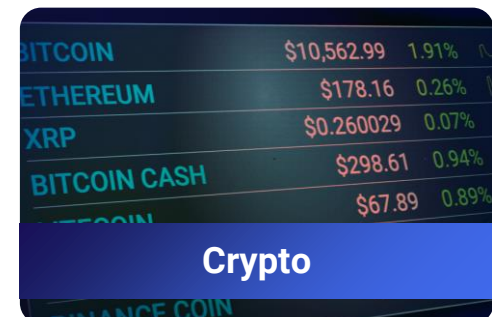
Travel



eLearning



On-demand Delivery



Crypto

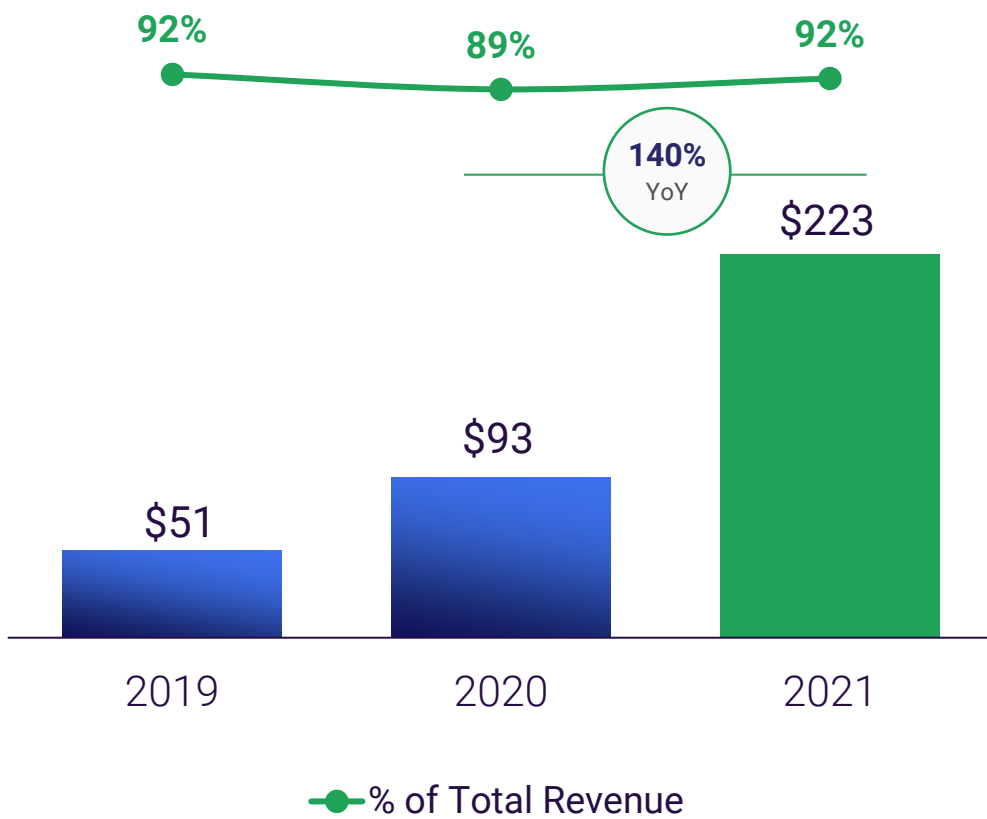


# ...Across 35 Emerging Markets

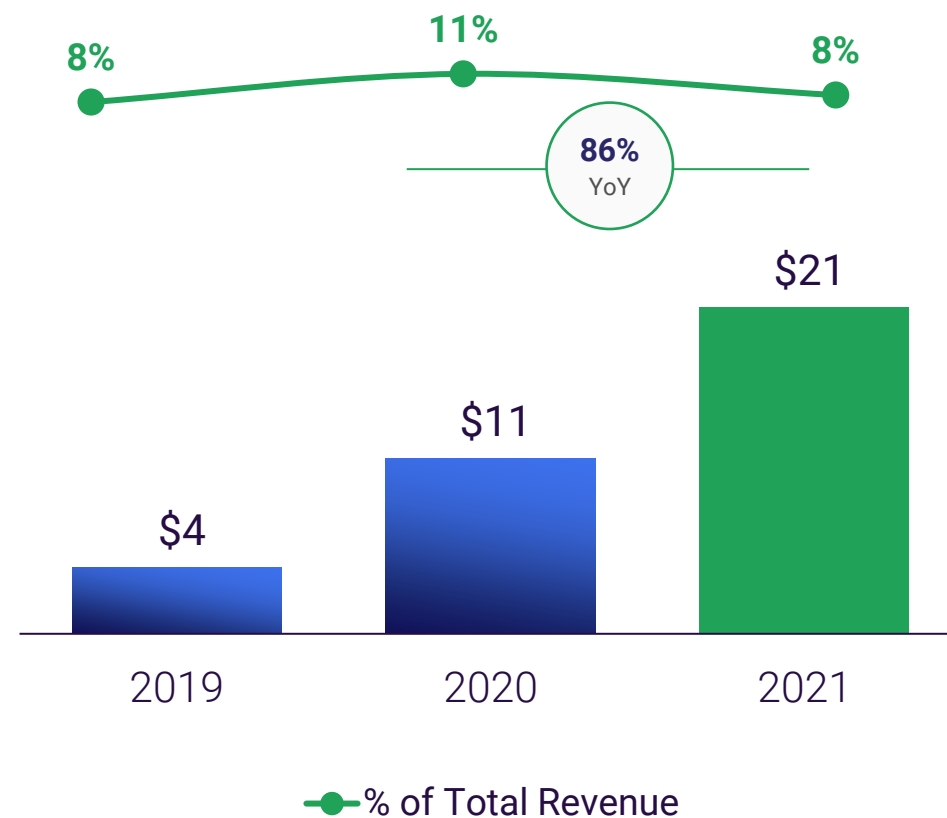


# High Growth Across All Regions

Revenue by Region – LatAm (\$M)



Revenue by Region – Asia & Africa (\$M)

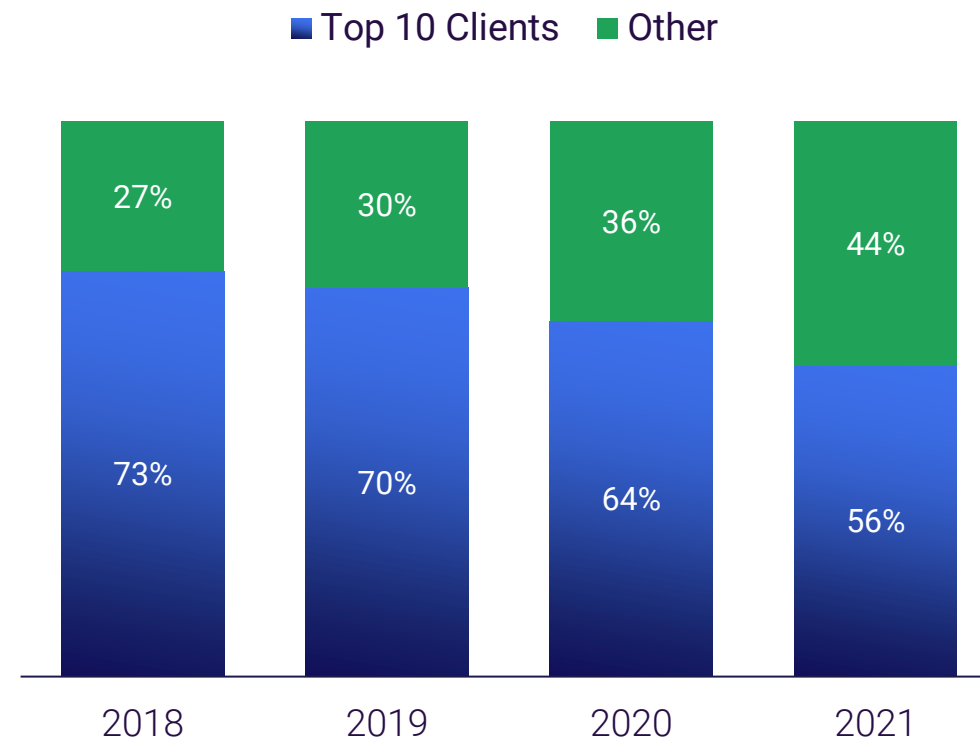


# New Merchants Increasing Diversification

## # of Merchants



## Revenue Concentration (% Revenue)





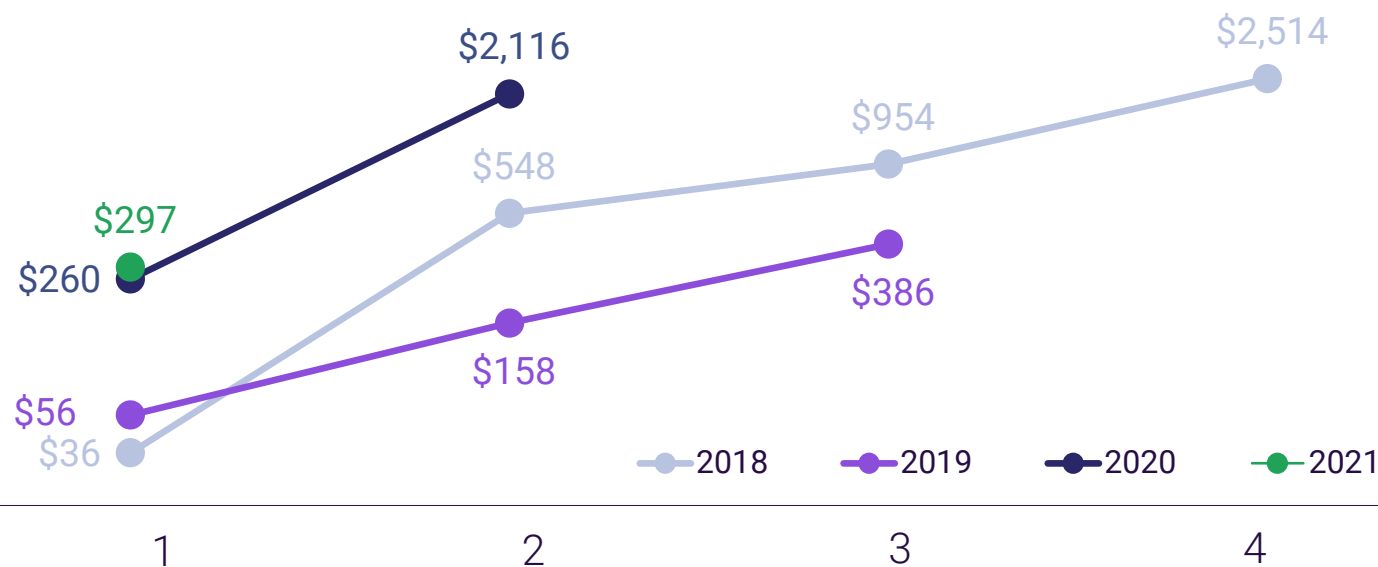
# All Cohorts Driving Profitable Growth

## TPV by Cohort<sup>1</sup> (\$M)

Each cohort is driving **solid TPV growth**

'18 and '20 vintages experienced the **highest YoY growth** rates

Cohorts with **consistently higher starting points**



## 2021 Take Rate Performance by Cohort

**2021 average take rate of 4%** (versus 5% in 2020)

**Minimal variation** in each cohort's take-rate during the year

Different cohorts have **different pricing points**

**2021 cohort** has a **higher take rate** than the 2021 average

Cohort	YoY Variation (p.p.)
2018	-0.2 p.p.
2019	-0.2 p.p.
2020	+0.1 p.p.

# Vectors of Future Growth

## Commercial Efforts



Organic  
growth



Account  
management



New  
clients

## Products



Enhance  
portfolio



Develop new  
solutions

## Geographies



Enhance  
presence



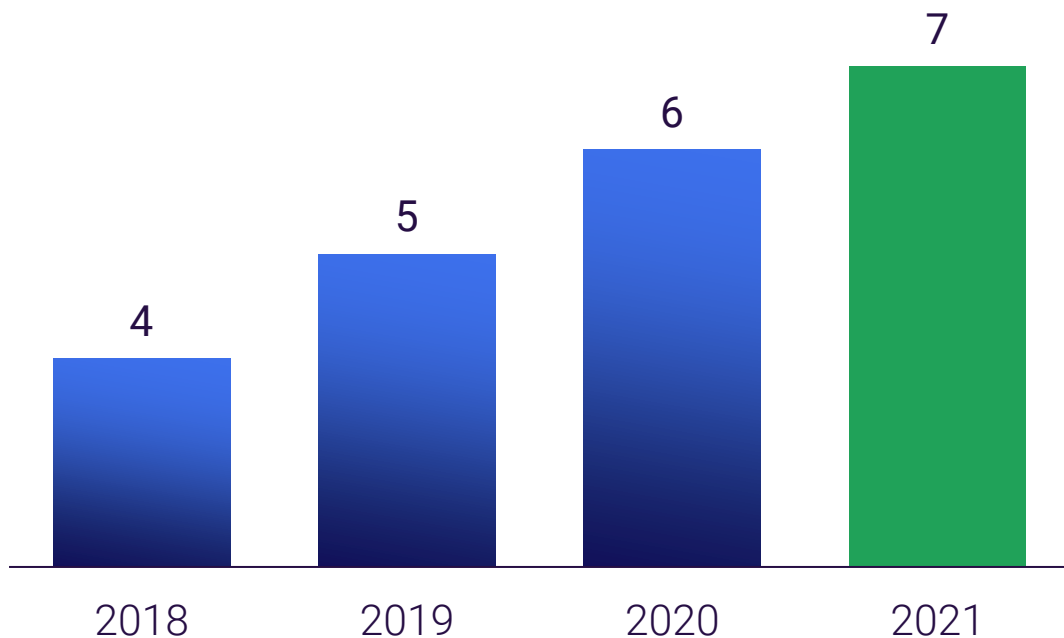
Enter new  
countries

## Inorganic Initiatives

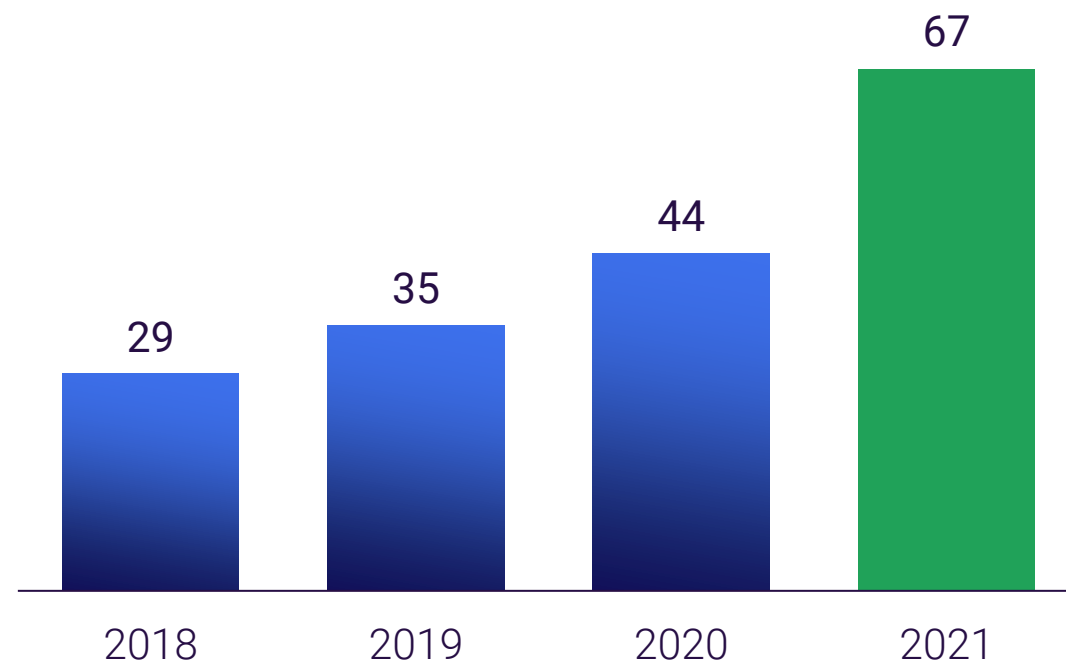


# Consistently Improving Merchant Engagement

Avg. # of Countries per Merchant



Avg. # of Payment Methods per Merchant



# Ramping-up Our Existing and New Clients Pipeline



## Illustrative industries



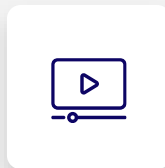
Ride Hailing



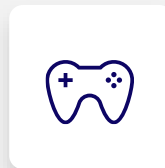
Advertising



Travel



Streaming



Gaming



SaaS



E-Learning



Financial institutions



Crypto

# Enhanced Product Portfolio



## Enhanced our pay-in solution

**New cards and APMs integrations** for processing redundancy, capability enhancements and global expansion

**Deepen our integration within Pix system in Brazil**

**Network Tokenization**

**E-mandate/Subscriptions management in India**

**TaxManager:** enhanced tax handling by country and payment method

**Increased card and APMs acceptance rates**, with better Smart Routing, Chaining, and UX improvements through rigorous A/B testing



## Enhanced our pay-out solution

**Expanded Instant Payout offering** in more countries

**Enhanced logics and automations** to overcome local rail's processing limitations

**Added direct connections with new partners/ banks** for processing redundancy, capability enhancements and global expansion

# Broaden Product Portfolio



## Improved our fraud and data capabilities

### Defense Suite launched

#### Improved fraud prevention capabilities through:

- New Machine Learning models
- New API enhancements
- Device ID and fingerprinting
- Authentication through 3DS 2.0 and beyond



## Launched Issuing-as-a-Service

**Enable merchants to issue prepaid virtual or physical cards,** with spend and payment controls and account management

**B2B initiative** focused on our merchants (no credit exposure), no direct issuing to end consumers

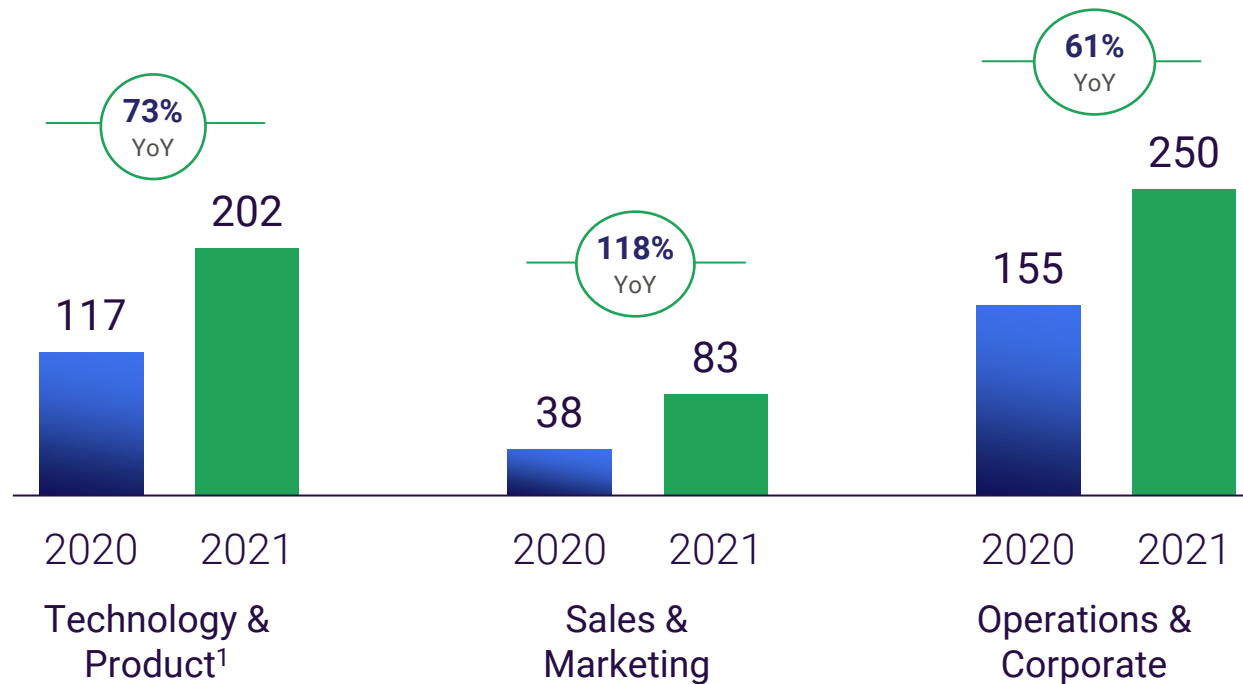
Partner with **local banks as issuers**



# Our Ability to Hire Professionals with Diverse Backgrounds Worldwide is a Key Competitive Advantage

## FTE Evolution (#)

We continue to invest in hiring top talent for **Tech & Product** and **S&M** to our team



**535 FTE** in 2021 (+73% YoY)

We have a **wide talent pool**

We hire **anywhere in the world**

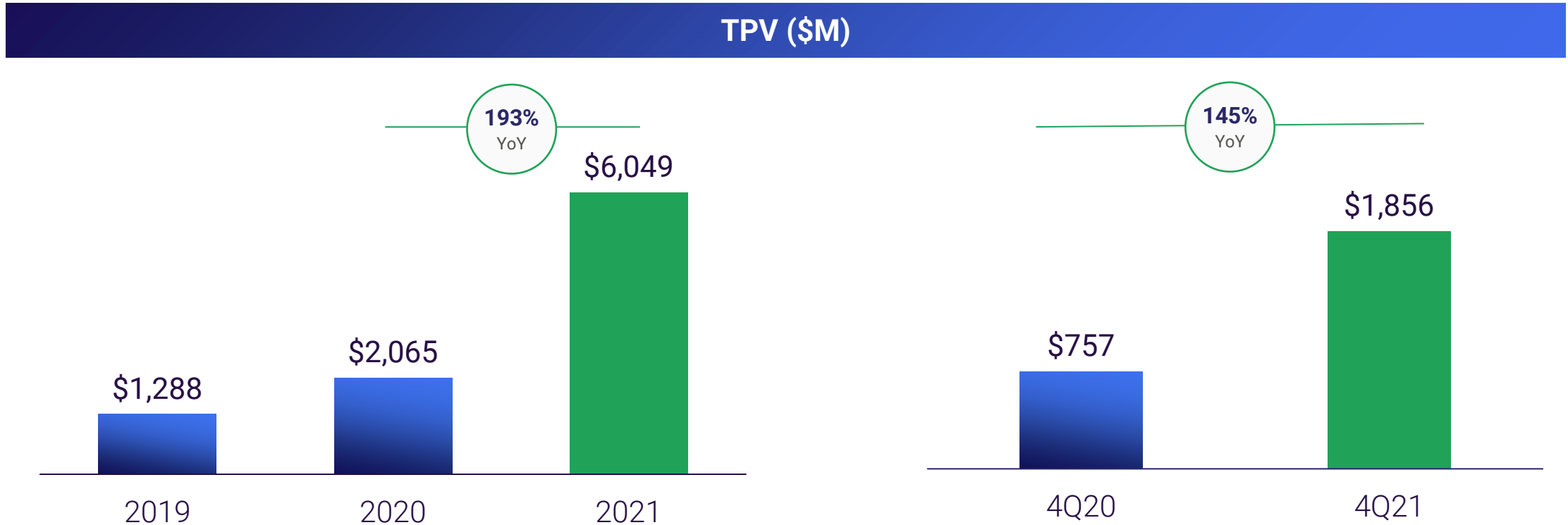
As of 2021YE, we had employees with **diverse nationalities**

**30+** nationalities



# FINANCIAL HIGHLIGHTS

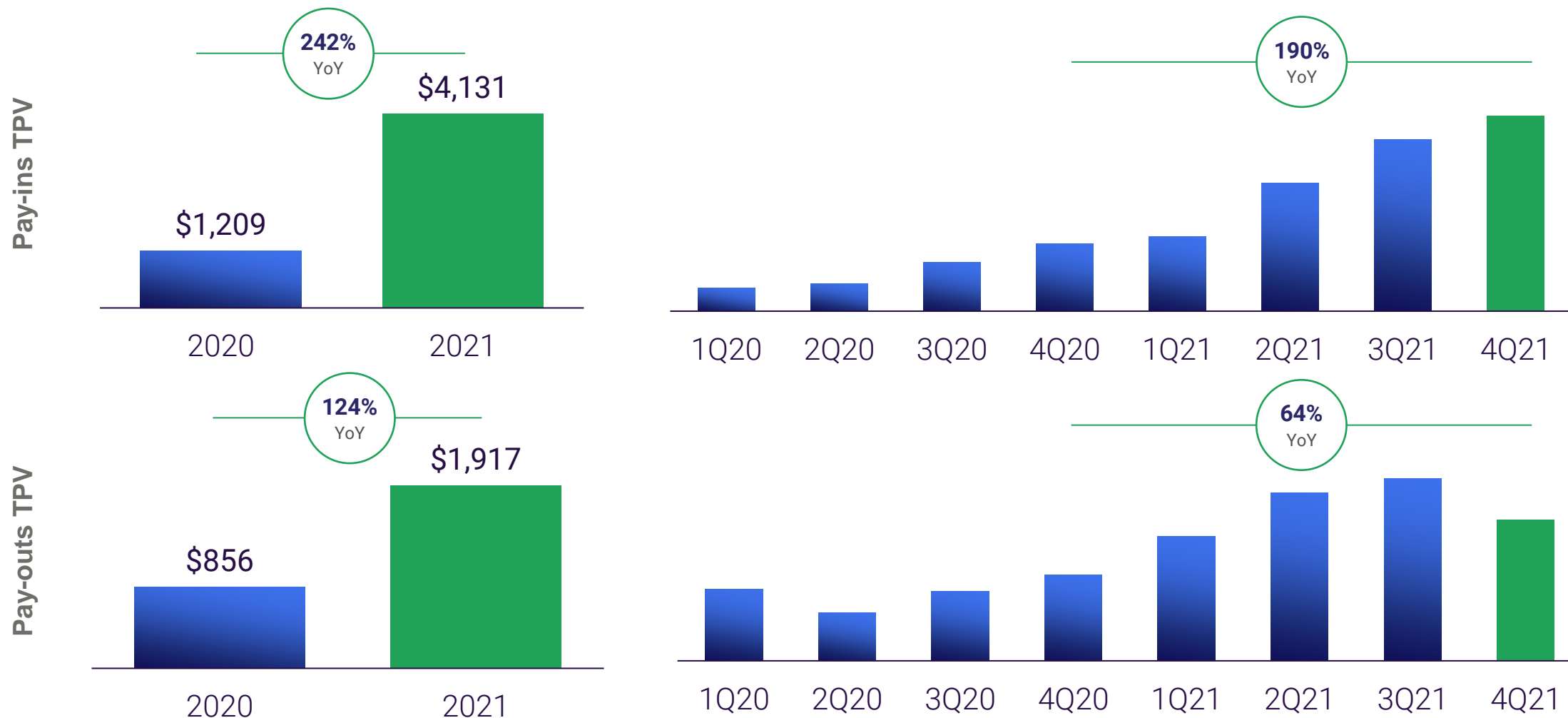
# TPV Almost Tripled in 2021



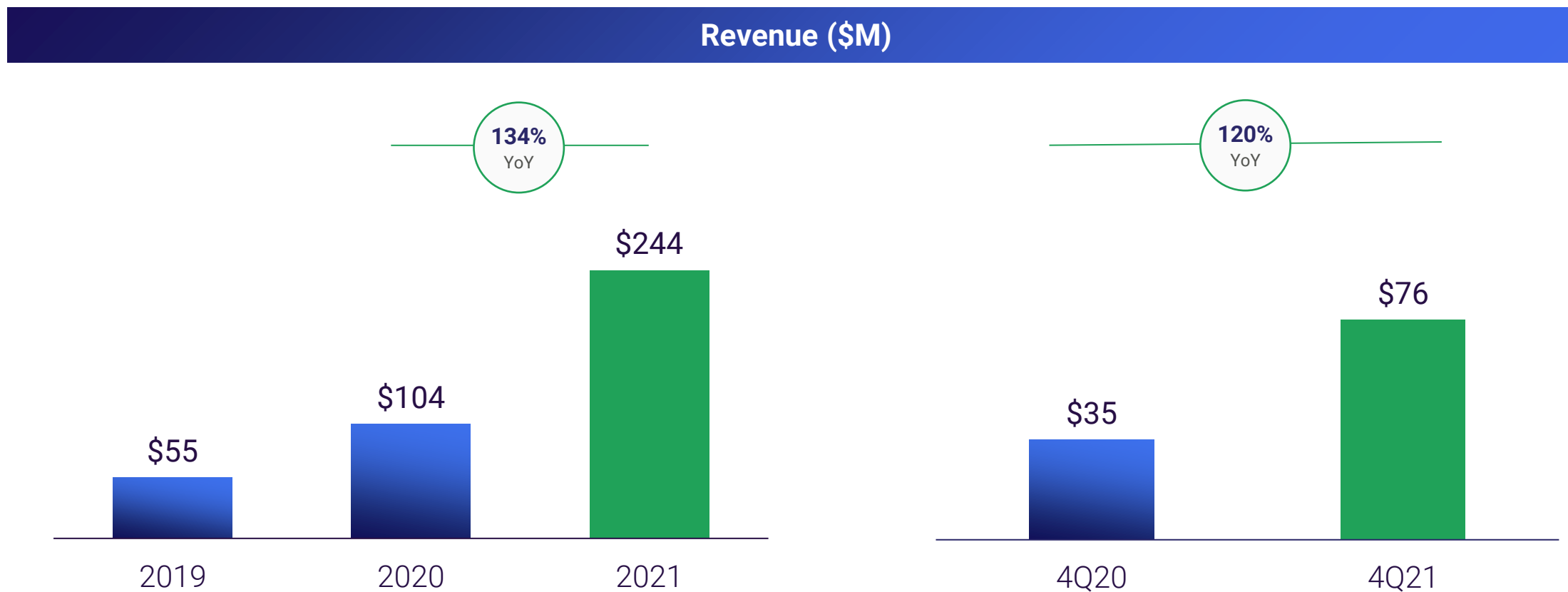
**Continued growth of our TPV across most verticals**, particularly in ride hailing, streaming, advertising, SaaS, on-demand delivery and commerce

# Strong and Steady Growth in Pay-Ins; Short-term Fluctuations in Pay-Outs

Pay-Ins and Pay-Outs TPV (\$M)

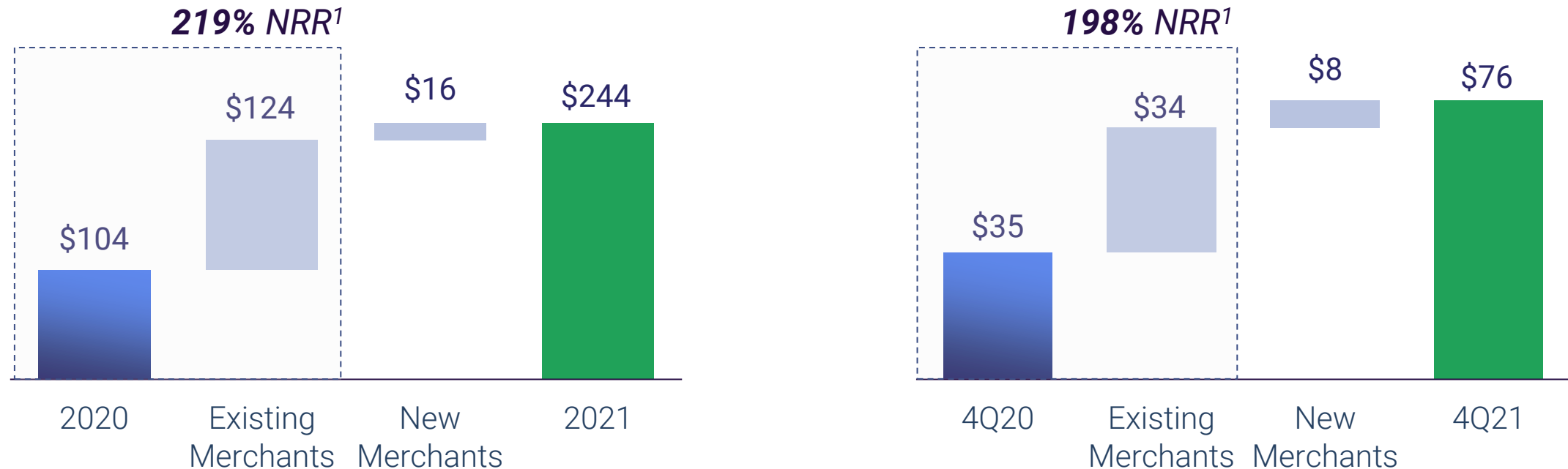


# Triple-Digit-Growth in Revenue



# Existing and New Merchants Driving Growth

## Revenue Composition (\$M)

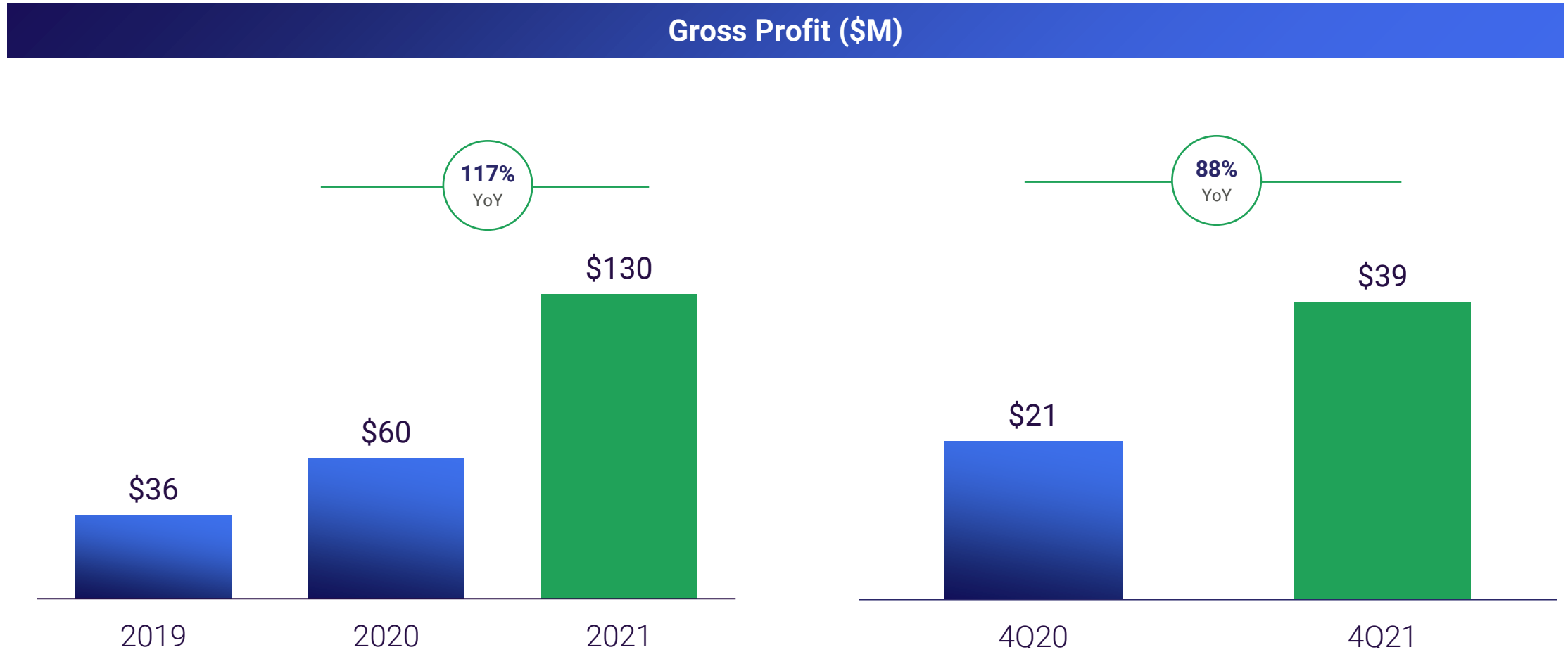


**Existing Merchants:** Revenues from merchants that we already processed in the same period of the previous year.

**New Merchants:** Revenues from merchants onboarded during the last twelve months. This is a rolling measure for each new quarter, based on merchants' classification (new vs. existing)

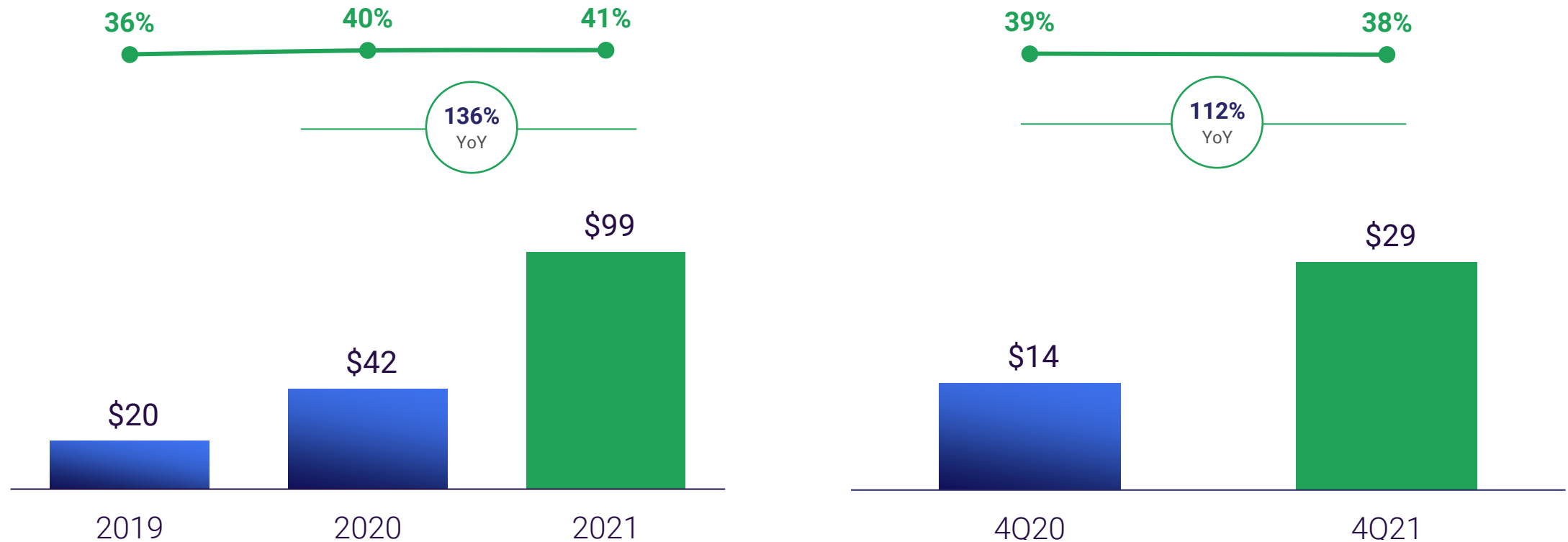


# Gross Profit Continues to Grow at Sound Rates



# Maintained Strong Margins Amid Continue Investing in Growth

## Adjusted EBITDA<sup>1</sup> (\$M) and Adjusted EBITDA Margin (%)



**d** Note: Audited results for the years ended December 31, 2021, December 31, 2020, and December 31, 2019.

<sup>1</sup> dLocal has only one operating segment. Although Adj. EBITDA and Adj. EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures. See detailed methodology for Adj. EBITDA and Adjusted EBITDA Margin in appendix.

# CLOSING REMARKS

# Investment Highlights



We power a **massive and expanding Emerging Markets ecosystem**



We are **directly integrated** with some of the biggest online merchants in the world, driving very strong net revenue retention and strong cohort performance



We have built a **scalable, single API technology infrastructure** that makes the complex simple for merchants across Emerging Markets



Our business model is **well-diversified across industries and clients**



We are **growing rapidly and profitably at scale**

# d-local

Thank you!



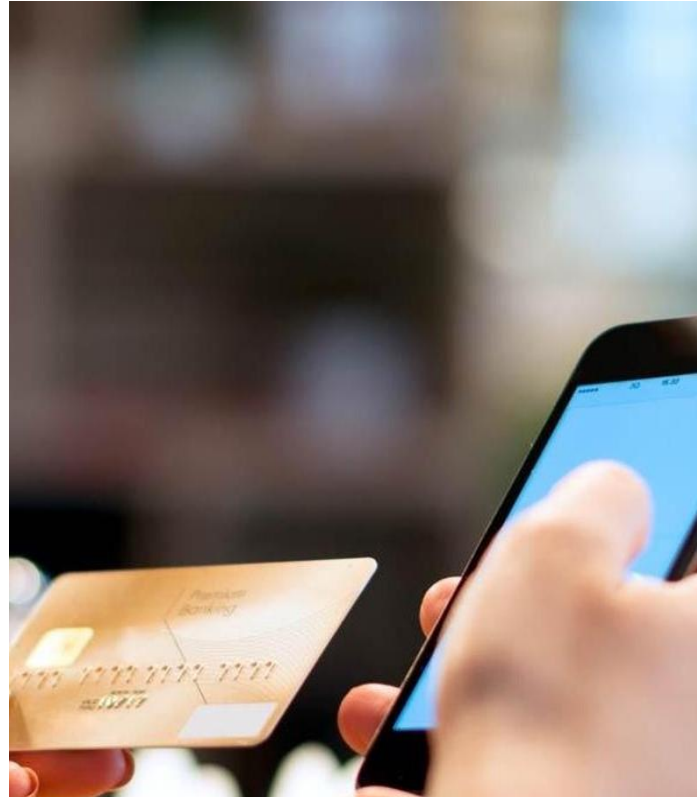
# APPENDIX



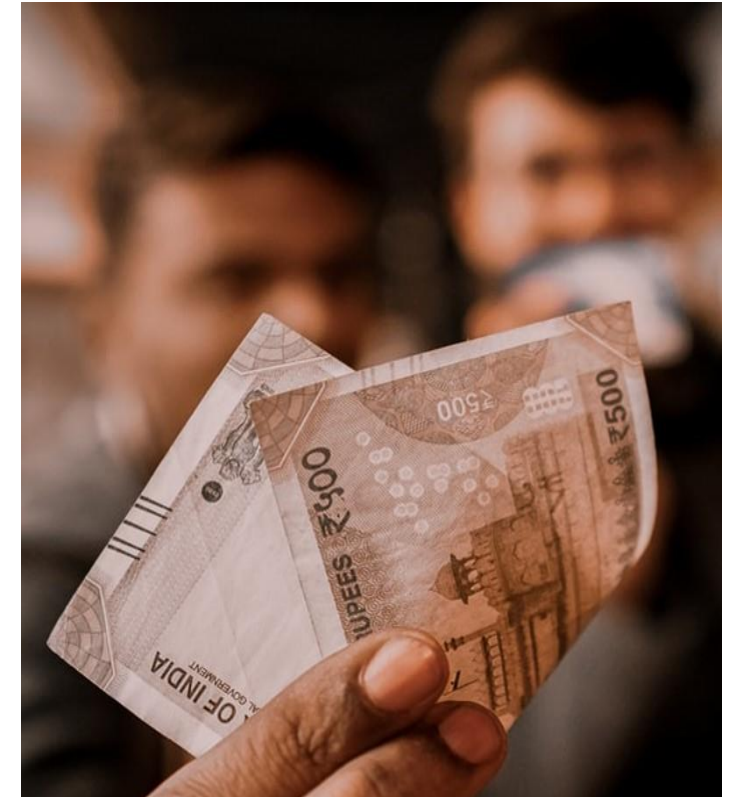
# What Problems are we Addressing?



**Complex and changing regulatory and tax frameworks**



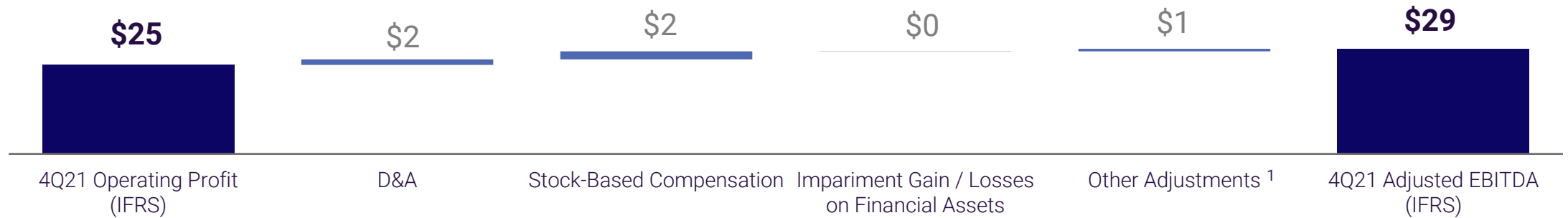
**Poor conversion and high fraud**



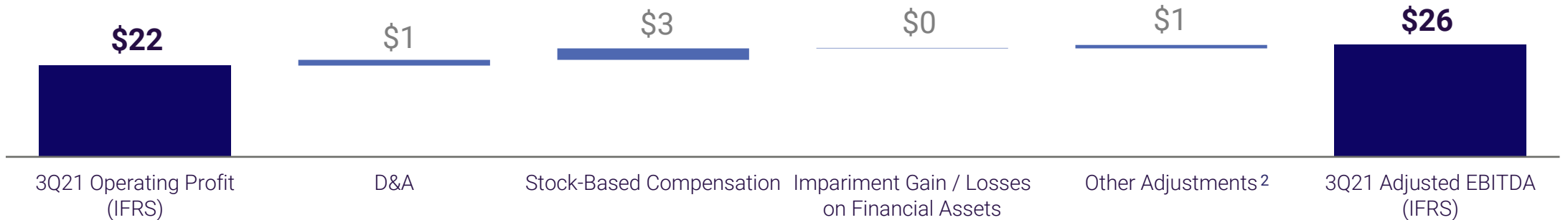
**Multiple local payment methods with rising fragmentation**

# Financial Highlights

## 4Q21 Adjusted EBITDA Bridge (\$M)



## 3Q21 Adjusted EBITDA Bridge (\$M)



Note: Adjusted EBITDA excludes one-off expenses and non-cash items. Unaudited results for the quarter ended September 30, 2021.

<sup>1</sup> Other Adjustments for 4Q21 includes secondary offerings expenses (\$0.7M) and M&A transaction costs (\$0.02M).

<sup>2</sup> Other Adjustments for 3Q21 includes secondary offerings expenses (\$0.7M) and M&A transaction costs (\$0.2M).

# Reconciliation of Adjusted EBITDA to Profit

<i>\$ in thousands</i>	Three-month period ended December 31,		Twelve-month period ended December 31,	
	2021	2020	2021	2020
<b>Profit for the period</b>	<b>23,549</b>	<b>11,601</b>	<b>77,853</b>	<b>28,187</b>
Income tax expense	2,114	1,000	7,647	3,231
Other operating (gain)/loss	-	65	(2,896)	2,896
Depreciation and amortization	1,507	248	4,747	992
Secondary offering expenses <sup>1</sup>	716	453	5,158	453
Transaction costs <sup>2</sup>	22	158	687	158
Share-based payment charges	2,236	256	7,590	7,295
Other charges, Net <sup>3</sup>	(1,072)	(100)	(1,629)	(1,281)
<b>Adjusted EBITDA</b>	<b>29,072</b>	<b>13,681</b>	<b>99,157</b>	<b>41,931</b>

Note: Although Adj. EBITDA and Adj. EBITDA Margin may be commonly viewed as non-IFRS measures in other contexts, pursuant to IFRS 8, Adjusted EBITDA and Adjusted EBITDA Margin are treated by dLocal as IFRS measures based on the manner in which dLocal utilizes these measures.

Adjusted EBITDA as used by dLocal is defined as the profit from operations before financing and taxation for the year or period, as applicable, before depreciation of property, plant and equipment, amortization of right-of-use assets and intangible assets, and further excluding the changes in fair value of financial assets and derivative instruments carried at fair value through profit or loss, impairment gains/(losses) on financial assets, transaction costs, share-based payment non-cash charges, secondary offering expenses, transaction expenses and inflation adjustment.

<sup>1</sup> Corresponds to expenses assumed by dLocal in relation to secondary offerings of its shares. <sup>2</sup> Corresponds to costs related to the acquisition of assets of PrimeiroPay. <sup>3</sup> Corresponds to other minor adjustments (full reconciliation in financial statements)